country is being diverted to free sale sugar from decreasing levy sugar percentage from 40 per cent to 30 per cent; if so, the details thereof ?

THE MINISTER OF STATE OF THE MINISTRY OF FOOD (SHRI KALP NATH RAI) : (a) The President of Indian Sugar Mills Association (ISMA) has mentioned that incentives have been permitted on a highly liberal basis and in his view, without much justification.

(b) No, Sir. However, Bureau of Industrial Costs and Prices (BICP) has been requested to undertake a fresh study into the rationale and mode of incentives to be given, if any, to new sugar factories and expansion projects to be licensed from 1-4-94 to the end of 8th Five Year Plan Period.

(c) and (d) About 7 to 8 per cent of sugar is being converted into freesale due to grant of incentives to the sugar mills. There is, however, no shortage of levy sugar for meeting the requirement of the Public Distribution System.

ESTABLISHMENT OF NEW SUGAR MILLS IN GUJARAT

3346. SHRI VITHALBHAI M. PATEL : Will the Minister of FOOD be pleased to state :

(a) the number of proposals have been received from the State of Gujarat for establishment of new sugar factory;

(b) what steps have been taken by Government so far; and

(c) when the proposals are likely to be finalised ?

THE MINISTER OF STATE OF THE MINISTRY OF FOOD (SHRI KALP NATH RAI) : (a) to (c) The Central Government has received 13 proposals for establishment of new sugar factories in Gujarat. Letters of Intent have been granted in two cases and the remaining 11 cases have been rejected.

INCENTIVE SCHEME FOR NEW SUGAR FACTORIES

3347. SHRI SOM PAI : Will the Minister of FOOD be pleased to state :

(a) whether it is a fact that Ministry of Food is granting incentives under the Sugar Incentive Scheme to new or for expansion of sugar factories on provisional basis without achieving the efficiency norms;

(b) if so, the number of such factories which have been allowed on provisional basis the benefit of the Incentive Scheme during the last three years since 1990-91 (Sugar year)—Statewise and factory-wise; and

(c) what are the reasons for granting incentives on provisional basis without proper verification of records with details thereof ?

THE MINISTER OF STATE OF THE MINISTRY OF FOOD (SHRI KALP NATH RAI) : (a) to (c) Achievement of efficiency norms is not connected with the grant of incentives on provisional basis. Incentives are sanctioned to sugar factories subject to their fulfilling all the other conditions laid down in the respective Incentive Schemes. After sanction of incentive claims, efficiency norms are taken into account for arriving at the final entitlement of the incentive quantum at the end of respective years.

To avoid hardship to sugar factories incentives on provisional basis are sanctioned subject to the factories fulfilling the other conditions of the Incentives Scheme based on preliminary examination.

During the last three years since 1990-91, incentives have been granted on provisional basis to 30 new re-structured sugar factories as per details given in the enclosed Statement.